

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01 CIAE-00
CIEP-02 COME-00 DODE-00 EB-08 FPC-01 H-02 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-10 PA-02 PRS-01
/117 W

-----240255Z 018099 /64

R 240222Z JAN 77

FM AMEMBASSY TOKYO

TO AMEMBASSY JAKARTA

INFO SECSTATE WASHDC 4945

UNCLAS TOKYO 1022

E.O. 11652: N/A

TAGS: ENRG, JA, ID

SUBJECT: JAPEX PRESIDENT REPORT ON INDONESIA VISIT

1. AS REPORTED BY THE VERNACULAR PRESS, ON JAN 20, JAPEX
INDONESIA PRESIDENT CHIYOZO YOSHIOKA HELD A PRESS CONFERENCE
TO BRIEF REPORTERS ON HIS RECENT TRIP TO INDONESIA.

2. WITH REGARD TO JAPEX INDONESIA OPERATIONS, YOSHIOKA SAID
THAT AS A RESULT OF THE CUT FROM 14 TO 7 YEARS IN THE
DEPRECIATION PERIOD FOR OIL DEVELOPMENT PROJECTS JAPEX
INDONESIA'S FINANCIAL POSITION WILL BE MUCH IMPROVED.
HE ADDED THAT CRUDE PRODUCTION FROM THE ATAKA, BUKABAI AND
HANDEL FIELDS IS NOW AT 250,000 B/D, DOUBLE THE OUTPUT FOR LAST
YEAR.

3. WITH REGARD TO OPEC PRICING, YOSHIOKA SAID THAT IN HIS
MEETING WITH MINES MINISTER SADLI AND PERTAMINA PRESIDENT
HARYONO, SADLI SAID HE THOUGH THE TWO-TIER SYSTEM WOULD
PROBABLY BE QTE SETTED UNQTE (ONE PRICE COMPROMISE),
DURING THE FIRST OR SECOND QUARTER OF 1977, AND HE URGED
OIL COMPANIES TO CONTINUE TO DEAL WITH TRADITIONAL
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SUPPLIERS FOR THE NEXT SIX MONTHS. SADLI INSISTED THAT
NO MATTER HOW THE PRICE PROBLEM COMES OUT, OPEC
SOLIDARITY IS VERY STRONG, BECAUSE MARKET FORCES ARE
STILL IN ITS FAVOR.

4. WITH REGARD TO NEGOTIATIONS WITH FOREIGN OIL
COMPANIES LEADING TO REVISIONS IN CURRENT EXPLORATION

AND DEVELOPMENT CONTRACTS, SADLI SAID THAT DIFFERENCES WITH U.S. INTERNAL REVENUE SERVICE AS TO WHETHER OIL COMPANIES' PAYMENTS TO THE GOVERNMENT OF INDONESIA CONSTITUTED ROYALTIES OR TAXES, WERE ONE FACTOR HOLDING UP FINAL SETTLEMENT. HARYONO COMMENTED THAT CONTRACT REVISION PROCESS WAS DESIGNED NOT ONLY TO INCREASE INDONESIAN REVENUES, BUT TO MAKE EXPLORATION ACTIVITIES MORE ATTRACTIVE TO FOREIGN COMPANIES, THROUGH SUCH MEASURES AS THE REDUCED DEPRECIATION PERIOD.
HODGSON

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Message Attributes

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Concepts: VISITS
Control Number: n/a
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Sent Date: 24-Jan-1977 12:00:00 am
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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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